Capital restructuring of Shipping Corporation of India

251. SHRI KAMAL MORARKA: Will the Minister of SURFACE TRANSPORT be pleased to state :

(a) whether there is any proposal under Government's consideration for capital restructuring of Shipping Corporation of India;

(b) if so, what are the details of the proposed capital structure; and

(c) what is the present profitability of Shipping Corporation of India and what is the expectation after implementing the capital restructuring ?

THE MINISTER OF SURFACE TRANSPORT AND THE MINISTER OF COMMUNICATIONS (SHRI K. P. UNNIKRISHNAN) : (a) Yes, Sir.

(b) The proposal under consideration envisages conversion of part of the outstanding loans of Shipping Corporation of India Ltd. to Government into equity with a view to obtain a debt-equity ratio of 3:1 as on 31-3-89:

(c) The profits earned by the Shipping Corporation of India Ltd., during the last two years are as follows :

	Net Profits after Tax (Rs./Crores)
1987-88 . . .	35.87
1988-89 (9 months from 1-7-88 to 31-3-89)	43·85 (provisional)

The profitability will increase after capital restructuring but in view of the large number of factors that affect profitability, it is not possible to give any precise estimate.

Changes relating to freight-containers Industry by International Standard Organisation

252. SHRI KAMAL MORARKA: Will the Minister of SURFACE TRANSPORT be pleased to state :

(a) whether any changes have been made or being contedlated by the International Standard Organisation relating to the freight containers industry for increasing the standard dimensions and ratings of containers;

(b) if so, what is Government's reaction thereto; and

(c) what would be the resultant effect of such changes ?

THE MINISTER OF SURFACE TRANSPORT AND THE MINISTER OF COMMUNICATIONS (SHRI K. P. UNNIKRISHNAN): (a) No change in standard dimensions and ratings or freight containers has been made by International Standard Organisation. A Committee of International Standard Organisation has under its consideration certain proposals for changes.

(b) The Government have reiterated their position that the present standardized dimensions of freight containers should not be changed at this stage.

(c) Containerisation has started picking up in the developing countries only recently and any changes would affect the development of combined transport, especially on the inland transport leg, for the following reasons;

(i) The existing gauge clearance and the maximum moving dimensions do not permit containers of more than 8 ft. 6 inches height on Indian rail/road system.

(ii) Any increase in rating beyond 24,000 KG will lead to serious technical difficulties, such as axle load restrictions and maximum permissible loads on the bridges and highways in India.

(iii) The above changes would also make equipment and infrastructure at the Indian Ports obsolete